



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

RECEIVED

MAY 28 2008

**PUBLIC SERVICE
COMMISSION**

May 27, 2008

Case #: 2008-00000

Dear Ms. O'Donnell

2008-189

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2008-00000. The calculated gas cost recovery rate enclosed in this report is \$8.8179 and the base rate is \$4.24. The minimum billing rate starting June 1, 2008 should be \$13.0579 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerely

H. Jay Freeman
President

Enclosure

EXPECTED GAS COST ADJUSTMENT (EGCA)	\$/MCF	\$8.7535
+ REFUND ADJUSTMENT (RA)	\$/MCF	\$0.0000
+ ACTUAL COST ADJUSTMENTS (ACA)	\$/MCF	\$0.0644
= GAS COST RECOVERY RATE (GCRR)	\$/MCF	\$8.8179

GCRR to be effective for service rendered from January 1, 2008 to March 31, 2008

A.	EXPECTED GAS COST CALCULATION	UNIT	AMOUNT
	TOTAL EXPECTED GAS COST (SCHEULE II)	\$	\$767,812.50
	/ SALES FOR THE 12 MONTHS ENDED _____ Mar-08	MCF	87,715
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	= EXPECTED GAS COST ADJUSTMENT (ECA)	\$/MCF	\$8.7535
B.	REFUND ADJUSTMENT CALCULATION	UNIT	AMOUNT
	SUPPLIER REFUND ADJUSTMENT FOR REPPORTING PERIOD(SCHIII)	\$/MCF	\$0.00
	+ PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ SECOND PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	+ THIRD PREVIOUS QUARTER SUPPLIER REFUND ADJUSTMENT	\$/MCF	\$0.00
	= REFUND ADJUSTMENT (RA)	\$/MCF	\$0.00
C.	ACTUAL COST ADJUSTMENT CALCULATION	UNIT	AMOUNT
	ACTUAL COST ADJ. FOR THE REPORTING PERIOD (SCH. IV)	\$/MCF	\$0.0001
	+ PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.0069
	+ SECOND PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	(\$0.0733)
	+ THIRD PREVIOUS QUARTER REPORTED ACTUAL COST ADJUSTMENT	\$/MCF	\$0.1307
	= ACTUAL COST ADJUSTMENT (ACA)	\$/MCF	\$0.0644

ACTUAL * MCF PURCHASES FOR 12 MONTHS ENDED					Mar-08	
(1)	(2)	(3)	(4)	(5)	(6)	
SUPPLIER	DTH	BTU CONVERSION FACTOR	MCF	RATE	(4)*(5)	COST
North Coast Energy	0	1.0740	0	\$5.500		\$0
MARATHON PETROLEUM CORP.	90,383	1.0300	87,750	\$8.750		\$767,813
TENNESSEE GAS PIPELINE	0	1.0300		\$0.000		\$0
COLUMBIA GAS	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
COASTAL GAS MARKETING	0	1.1000		\$0.000		\$0
KOG	0	1.1000	0	\$0.000		\$0
<i>ADJUSTMENT FOR ANTICIPATION OF DECREASED PURCHASE REQUIREMENTS</i>						
MARKETER	0	1.0350	0	\$0.00		\$0
TOTALS	90,383	1.0300	87,750	\$8.75		\$767,812.50

	UNIT	AMOUNT
TOTAL EXPECTED COST OF PURCHASES (6)	\$	\$767,812.50
/ MCF PURCHASES (4)	MCF	86,724
= AVERAGE EXPECTED COST PER MCF PURCHASED	\$/MCF	\$8.8535
* ALLOWABLE MCF PURCHASES (MUST NOT EXCEED MCF SALES / .95)	MCF	86,724
= TOTAL EXPECTED GAS COST (TO SCHEDULE IA.)	\$	\$767,812.50

For the 3 month period ended:	Particulars	Mar-08	Unit	(Jan-08)	(Feb-08)	(Mar-08)
	Total Supply Volumes Purchased		Mcf	17,000	14,500	11,250
	Total Cost of Volumes Purchased		\$	\$139,478	\$124,597	\$108,414
	Total Sales (may not be less than 95% of supply volumes)		Mcf	16,718	14,229	10,900
	Unit cost of Gas		\$/Mcf	\$8.3430	\$8.7566	\$9.9462
	EGC in effect for month		\$/Mcf	\$7.1888	\$7.1888	\$7.1888
	Difference [(Over-)/Under-Recovery]		\$/Mcf	\$1.1542	\$1.5678	\$2.7574
	Actual sales during month		Mcf	16,718	14,229	10,900

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	\$5.48
Sales for 12 Months ended	Mcf	87,715
Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	\$0.0001

DETAILS FOR THE 9 MONTHS ENDED

Mar-08

PARTICULARS	UNIT	AMOUNT
TOTAL SUPPLIER REFUNDS RECEIVED	\$	\$0.00
+ INTEREST	\$	\$0.00
= REFUND ADJUSTMENT INCLUDING INTEREST	\$	\$0.00
/ SALES FOR 12 MONTHS ENDED	MCF	87,715
= SUPPLIER REFUND ADJUSTMENT FOR THE REPORTING PERIOD (TO SCHEDULE IB.)	\$/MCF	\$0.00